

COUNTY OF DELAWARE  
INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF  
DELAWARE COUNTY, NEW YORK)

FINANCIAL STATEMENTS

Years Ended December 31, 2020 and 2019

COUNTY OF DELAWARE  
INDUSTRIAL DEVELOPMENT AGENCY

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
County of Delaware Industrial Development Agency  
Delhi, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the County of Delaware Industrial Development Agency (the "IDA") (a component unit of Delaware County, New York) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the IDA's basic financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the IDA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the IDA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the IDA as of December 31, 2020 and 2019, and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on Pages 3 – 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the method of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the IDA's financial statements as a whole. The supplemental information on Pages 21 – 23 in the other financial information section is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplemental information that is required by the Office of New York State Comptroller. The schedules are the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2021 on our consideration of the IDA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the IDA's internal control over financial reporting and compliance.

*Mistert, Manzanero & Scott, LLP*

Oneonta, New York  
April 14, 2021

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF DELAWARE COUNTY, NEW YORK)

MANAGEMENT'S DISCUSSION AND ANALYSIS

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As financial management of the County of Delaware Industrial Development Agency (the "IDA") (a component unit of Delaware County, New York), we offer readers of these financial statements this narrative overview and analysis of the financial activities for the IDA for the fiscal year ended December 31, 2020. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements taken as a whole.

Budget

The IDA depends on grants, with a minimal amount of operating income, to extend its programs. The IDA files for various grants and loans to provide economic development assistance in Delaware County, notably the United States Department of Housing and Urban Development, the United States Department of Agriculture, and NYS Office of Community Renewal. However, the funding of these grants is not assured at the beginning of the year. Because the IDA does not know how much funding will be received during any year, how many loan applications will be approved, and what programs can be made available, the IDA cannot project the amount that it can use for its programs to project an accurate budget. The IDA strictly adheres to all other financial procedures and requirements of New York State General Municipal Law, Article 18A, and its own bylaws.

Overview of the Financial Statements

This discussion and analysis accompanies the IDA's financial statements, notes to the financial statements and the report on compliance and internal control to help the reader better understand the financial statements.

Financial Statements

The IDA's financial statements, provide readers with a comprehensive reporting of the IDA's 2020 and 2019 transactions and balances. The difference between the assets and liabilities are reported as the net position. Increases or decreases in the net position are an indicator of strengthened or weakened financial position.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis

The operating revenues for the IDA were \$373,293 for fiscal year 2020. Net operating income produced a decrease in net position of \$306,472. At the close of fiscal year 2020, the IDA had a net position of \$5,950,599.

The operating revenues for the IDA were \$377,690 for fiscal year 2019. Forgiven loans and grant conversions produced a decrease in net position of \$459,957. At the close of fiscal year 2019, the IDA had a net position of \$6,257,071.

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
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MANAGEMENT'S DISCUSSION AND ANALYSIS

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The IDA's primary objective is to provide assistance to existing businesses, business expansions and business startups with professional assistance, educational programs and loans. The loan funds are comprised of grants dedicated to this purpose and matching funds from the IDA's accumulated working capital. The revolving loan fund in the statements of net position is the major asset. For the IDA's loan funds, the financial statement shows a decrease from \$2,753,067 at year-end 2019 to \$1,785,973 at year-end 2020, a net decrease of \$967,094.

The IDA's current major capital assets consist of the following:

- A 3-acre parcel, with sewer and water improvements, of an original 15-acre tract, in its industrial park in Walton, New York for planned industrial locations.
- The IDA is currently leasing the former AJS Facility to two companies. The IDA made no improvements to the property in 2020 or in 2019. These projects are concurrent with the IDA's objectives of encouraging economic development in the county.
- Three properties used for the Amphenol project. The IDA received grant funding from the NYS Dormitory Authority to offset a portion of the cost of this project. The land is to be transferred to Amphenol in 2033.
- Six properties in Sidney Center for a stream bank restoration project to lessen flood impacts to the Hamlet of Sidney Center. Such a project was a requirement that was imposed upon the IDA by the U.S. Army Corps of Engineers as mitigation for environmental impacts associated with the Amphenol project.
- Four properties in the Village of Sidney. Three of the properties are located in the Sidney Industrial park and the fourth is immediately adjacent to the Industrial Park. The properties, all of which were vacant at the time of acquisition, were acquired for the purpose of being redeveloped into shovel ready sites and/or buildings to be made available for the expansion or location of businesses. The properties located at 12 and 14 Winkler Road were subsequently sold to facilitate the expansion of neighboring businesses.
- A single property located at 120 Industrial Park Road, Walton, New York. The property was acquired for the purpose of being redeveloped into shovel ready sites and/or buildings to be made available for the expansion for location of area businesses.
- Two properties located at 135 Delaware Avenue in Sidney and 27905 State Highway 28 in Andes. The property located in Sidney will be redeveloped in support of a future project in planning stages. The property in Andes will be used as an Ag incubator.
- Four properties located in Delhi, New York and an additional property that was under contract closed subsequent to year end located in Stamford, New York. The properties were acquired to be made available for the expansion of local area businesses.

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Goals and Accomplishments

The primary goals of the IDA in 2020 were the continued management of the IDA's low interest loan funds to provide new and existing businesses with access to capital to support new investments, resulting in job creation and the acquisition and development of shovel ready sites and buildings to meet the future needs of business projects.

In 2020, the IDA and LDC provided 19 businesses with direct loans of \$805,625 resulting in nearly \$2.6 million of new investment and the retention of 80 existing jobs and 45 new jobs in Delaware County. Additionally, this funding led to the creation of 8 new businesses within the County.

In 2020, the IDA administered the provision of \$63,457 of grant funds to 2 businesses. Due to the COVID-19 Global Pandemic, most grant programs were shut down for the year.

In 2020, the IDA continued to address issues regarding IDA owned infrastructure supporting Saputo and Friesland Campina in Delhi and assisted in the redevelopment of a blighted parcel in the Village of Delhi.

The following is a 2020 – 2018 comparative summary of the IDA's financial statements, showing the change in net assets:

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY'S  
NET POSITION

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Current assets	\$ 1,709,410	\$ 1,831,008	\$ 2,500,375
Non-current assets	<u>4,297,049</u>	<u>4,536,456</u>	<u>4,282,224</u>
Total assets	<u>6,006,459</u>	<u>6,367,464</u>	<u>6,782,599</u>
Current liabilities	37,860	92,393	47,571
Non-current liabilities	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>
Total liabilities	<u>55,860</u>	<u>110,393</u>	<u>65,571</u>
Total net position	<u>\$ 5,950,599</u>	<u>\$ 6,257,071</u>	<u>\$ 6,717,028</u>

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF DELAWARE COUNTY, NEW YORK)

MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY'S  
CHANGES IN NET POSITION

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating revenues	\$ 373,293	\$ 377,690	\$ 482,604
Operating expenses	<u>(680,484)</u>	<u>(838,157)</u>	<u>(191,368)</u>
Operating loss	(307,191)	(460,467)	(291,236)
Non-operating income – Investment income	<u>719</u>	<u>510</u>	<u>419</u>
Change in net position	(306,472)	(459,957)	291,655
Net position – Beginning of year	<u>6,257,071</u>	<u>6,717,028</u>	<u>6,425,373</u>
Net position – End of year	<u>\$ 5,950,599</u>	<u>\$ 6,257,071</u>	<u>\$ 6,717,028</u>

Economic Factors

In 2018, the Community Development Block Grant (CDBG) Program announced a change in policy regarding the retention of CDBG program income. Any program income not committed for eligible CDBG programs and approved by the NYS Office of Community Renewal by March 31, 2019 was to be returned.

In an effort to keep the funds within Delaware county, the IDA converted \$647,109 of loans into grants in 2019 and \$521,889 in 2020. The IDA also issued several new loans that may be converted to grants in the coming years, depending on the grantee meeting investment and job creation goals. This may negatively impact the IDA's financial position for the next number of years.

Requests for Information

Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Glenn Nealis, Executive Director, County of Delaware Industrial Development Agency, 1 Courthouse Square, Suite 4, Delhi, New York 13753.

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COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF DELAWARE COUNTY, NEW YORK)

STATEMENTS OF NET POSITION

December 31, 2020 and 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 1,329,708	\$ 694,681
Restricted cash	44,110	41,658
Accounts receivable	11,941	15,621
Prepaid expenses	3,817	9,527
Current portion of loans receivable	319,834	1,069,521
Total current assets	<u>1,709,410</u>	<u>1,831,008</u>
Capital assets, net	2,830,910	2,852,910
Long-term portion of loans receivable, net of allowance for bad debts of \$59,794 for 2020 and 2019	<u>1,466,139</u>	<u>1,683,546</u>
Total assets	<u>6,006,459</u>	<u>6,367,464</u>
 <u>LIABILITIES AND NET POSITION</u>		
Current liabilities:		
Accounts payable	32,219	86,731
Land deposit	5,000	5,000
Other liabilities	641	662
Total current liabilities	<u>37,860</u>	<u>92,393</u>
Long-term liabilities:		
Due to Federal Housing Administration (FHA)	<u>18,000</u>	<u>18,000</u>
Total liabilities	<u>55,860</u>	<u>110,393</u>
Net position:		
Investment in capital assets	2,830,910	2,852,910
Restricted for loans	1,830,083	2,794,725
Unrestricted	<u>1,289,606</u>	<u>609,436</u>
Total net position	<u>\$ 5,950,599</u>	<u>\$ 6,257,071</u>

See accompanying notes.

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
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STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating revenues:		
County of Delaware	\$ 201,750	\$ 221,771
Interest income and late fees	30,589	46,857
Miscellaneous	30	12
PILOT fees	89,248	45,750
Rental income	51,676	63,300
Total operating revenues	<u>373,293</u>	<u>377,690</u>
Operating expenses:		
PILOT program	-	16,000
Depreciation	22,000	22,000
Insurance	25,703	18,975
Forgiven loans and grant conversions	532,918	647,109
Miscellaneous	16,413	4,612
Professional fees	8,290	18,721
Promotional/marketing	-	250
Rental expense	13,955	16,968
Property taxes	7,355	23,325
Project expenses	40,715	18,032
Salaries and wages	12,000	12,000
Payroll taxes	1,135	1,124
Bad debt	-	39,041
Total operating expenses	<u>680,484</u>	<u>838,157</u>
Operating loss	(307,191)	(460,467)
Non-operating revenue and expenses:		
Investment interest	<u>719</u>	<u>510</u>
Net loss	(306,472)	(459,957)
Net position - Beginning of year	<u>6,257,071</u>	<u>6,717,028</u>
NET POSITION - END OF YEAR	<u><u>\$ 5,950,599</u></u>	<u><u>\$ 6,257,071</u></u>

See accompanying notes.

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
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STATEMENTS OF CASH FLOWS

Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Cash received from grants and donations	\$ 201,750	\$ 221,771
Cash received from services provided	144,603	120,082
Payments received on loans	670,494	221,825
Other revenue received	30	12
Other operating payments	(174,389)	(86,233)
Issuance of loans	(205,728)	(1,125,665)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>636,760</u>	<u>(648,208)</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	-	(284,198)
NET CASH USED IN CAPITAL ACTIVITIES	<u>-</u>	<u>(284,198)</u>
Cash flows from investing activities:		
Investment income	719	510
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>719</u>	<u>510</u>
Increase (decrease) in cash and cash equivalents	637,479	(931,896)
Cash - Beginning of year	<u>736,339</u>	<u>1,668,235</u>
CASH - END OF YEAR	<u><u>\$ 1,373,818</u></u>	<u><u>\$ 736,339</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Net operating income	\$ (307,191)	\$ (460,467)
Depreciation	22,000	22,000
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	3,680	11,032
(Increase) decrease in prepaid expense	5,710	(1,048)
(Increase) decrease in loans receivable	967,094	(264,547)
Increase in accounts payable and other liabilities	(54,533)	44,822
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u><u>\$ 636,760</u></u>	<u><u>\$ (648,208)</u></u>

See accompanying notes.

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF DELAWARE COUNTY, NEW YORK)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

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NOTE 1    ORGANIZATION

Primary Government

The County of Delaware Industrial Development Agency (the “IDA”), in Delhi, New York, is a public benefit corporation established June 17, 1971, under the mandate of Article 18-A, “New York State Industrial Development Agency Act”, of New York State general municipal law.

The IDA was established to improve the quality of life in Delaware County by assisting businesses and industry for the purpose of retaining and expanding existing job opportunities, attracting new jobs, and stimulating the investment of capital in the county.

The IDA is a component unit of Delaware County, New York based on the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14 and as amended by GASB No. 39. The criteria includes financial dependency (Delaware County reimburses substantially all of the IDA’s operating expenditures), financial accountability (the IDA must submit all financial reports to Delaware County) and oversight responsibility (certain of Delaware County’s Board of Supervisors are members of the IDA’s Board of Directors).

Related Entity

The IDA has a related party relationship with the County of Delaware Local Development Corporation (the “LDC”). The LDC is a non-profit organization and shares its constituency, membership and purpose with the IDA. The LDC was incorporated in August 1998 and became active during the year ended December 31, 2000. There are separately issued financial statements for the LDC.

NOTE 2    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The IDA follows enterprise fund reporting. Enterprise funds are used to account for business like activities. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Measurement Focus and Basis of Accounting – The IDA’s financial statements are reported using the economic resource measurement focus and the accrual method of accounting. Under this method, revenue is recognized when earned and expenses are recognized when incurred, fixed assets and land are recorded at cost. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The following is a summary of the significant accounting policies followed in the preparation of the IDA’s financial statements. The accounting policies of the IDA conform to accounting principles generally accepted in the United States of America (U.S. GAAP). The IDA reports are based on all applicable GASB pronouncements as well as applicable Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
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NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

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NOTE 2    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Cash and Cash Equivalents – For the purposes of presenting the statements of cash flows, the IDA considers all demand deposits, time and savings accounts and certificates of deposit with an original maturity of three months or less to be cash equivalents. Certificates of deposits are stated at cost plus accrued interest receivable. Restricted cash is included in the statement of cash flows. Such basis approximates market.

Accounts Receivable – Accounts receivable are shown net of the allowance for uncollectible accounts in accordance with U.S. GAAP. Receivables for loans and mortgages are reviewed periodically by management to update the provisions for uncollectible amounts. These provisions are estimated based on an analysis of the aging of the receivable and any other factors known by management.

Allowance for Uncollectible Amounts – Notes receivable are recorded at their full value. Uncollectible amounts are charged to expenditures using the reserve method. The allowance for uncollectible loans receivable was \$59,794 for the IDA as of December 31, 2020 and 2019.

Prepaid Expenditures – Certain payments to vendors reflect costs related to future accounting periods and are recorded as prepaid items.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Income Taxes – The IDA is an entity that is operated by a governmental organization and is exempt from Federal, State and local income taxes.

Grant Accounting – Pass-through grants are recorded as receivables, revenues, liabilities, and expenses when awarded. All other grants are recorded as receivables and deferred revenues upon award of the contracts; revenues are recognized as the IDA meets performance requirements of the contracts.

Contributed Facilities and Services – The IDA, with the consent of the Board of Representatives from Delaware County, is authorized to use and has shared county employees, facilities, and equipment. The value of these facilities and services is not included within these financial statements.

Investment Policy – The IDA's investment policies are governed by State statutes. In addition, the IDA has its own written investment policy. IDA monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The IDA is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and obligations of New York State or its localities.

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF DELAWARE COUNTY, NEW YORK)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

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NOTE 2    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Operating Revenues and Expenses – The IDA distinguishes operating revenues and expenses from nonoperating items in its financial statements. Operating revenues and expenses generally result from providing services in connection with the IDA's principal on-going operations. The IDA's operating expenses include project and program costs and related administration expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Capital Assets – Buildings are depreciated using the straight-line method of accounting over the assets estimated useful life of 39 years.

Net Position – The IDA reports its net position in three components. Net investment in capital assets are equal to amounts reported for capital assets, net of related debt and accumulated depreciation. Restricted net position are reported when assets (net of related debt) can only be used for a specified purpose that is established by grantors, contributors, laws or regulations governing the IDA. For this reason, all restricted net position is considered expendable. Unrestricted net position is all other IDA net assets that do not meet the definitions of invested in capital position or restricted net assets.

Accounting Pronouncements

On May 8, 2020, GASB issued Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* in response to the COVID-19 pandemic. The effective dates of GASB Statements not yet implemented by the IDA have been updated below to reflect the impact of this Statement. There were no new GASB Statements implemented by the IDA for the year ended December 31, 2020.

The following are GASB Statements that have been issued recently and are currently being evaluated, by the IDA, for their potential impact in future years:

- Statement No. 87, *Leases*, which will be effective for the year ending December 31, 2022;
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of the Construction Period*, which will be effective for the year ending December 31, 2021;
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending December 31, 2022;
- Statement No. 92, *Omnibus 2020*, which will be effective for the year ending December 31, 2022;
- Statement No. 93, *Replacement of Interbank Offered Rates*, which will be effective for the year ending December 31, 2021, except for paragraph 11b, which will be effective for the year ending December 31, 2022;
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Arrangements*, which will be effective for the year ending December 31, 2023;
- Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will be effective for the year ending December 31, 2023; and
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32*, which will be effective for the year ending December 31, 2022.

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF DELAWARE COUNTY, NEW YORK)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

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NOTE 2    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Events Occurring After Reporting Date – Subsequent events were evaluated through April 14, 2021, which is the date the financial statements were available to be issued.

NOTE 3    CASH AND CASH EQUIVALENTS

State statutes require that collateral be pledged for demand deposits, time deposits, and certificates of deposit at 100% of deposits not covered by the Federal Deposit Insurance Corporation (FDIC). Obligations that may be pledged as collateral are obligations of the U.S. Treasury and its agencies, obligations of the State and its municipalities, school district debt, irrevocable letters of credit and surety bonds issued by State authorized insurance companies. At December 31, 2020, \$1,382,065 was fully covered by FDIC or collateralized by securities. Petty cash in the amount of \$12 was not covered by the FDIC or collateralized by securities. At December 31, 2019, \$735,229 was fully covered by the FDIC or collateralized by securities. Petty cash in the amount of \$12 was not covered.

NOTE 4    FEDERAL AND STATE AID CONTINGENCIES

The IDA has received Federal and State Aid and Grants that are subject to audit by agencies of the Federal and State governments. Such audits may result in disallowances and a request for a return of funds to the Federal and/or State agencies(s). The IDA believes disallowances, if any, will be immaterial.

NOTE 5    LOANS AND CAPITAL LEASE RECEIVABLE

Loans Receivable – HUD, Micro, and GOSC

The IDA administers the United States Department of Housing and Urban Development (HUD), Micro, and Governors' Office for Small Cities (GOSC) Grant programs on behalf of Delaware County. The IDA was awarded grants through HUD and GOSC, which was then sub-granted to the IDA.

During 2020, because of the covid pandemic the IDA offered a deferment of payments for the months of April through July, with no accrual of interest expense for that period. Most of the participants in the loan programs took the deferment.

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF DELAWARE COUNTY, NEW YORK)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 5 LOANS AND CAPITAL LEASE RECEIVABLE (Cont'd.)

The activity for the year ended December 31, 2020 for HUD, Micro and GOSC loans was as follows.

<u>Borrower</u>	<u>01/01/2020 Principal</u>	<u>Advances</u>	<u>Write Offs/ Repayments</u>	<u>12/31/2020 Principal</u>
Ate O Ate	\$ 33,207	\$ -	\$ (2,144)	\$ 31,063
Clark Farm Stand	50,000	-	(50,000)	-
Franklin Family Nurse Practitioner Svcs.	91,712	-	(12,557)	79,155
Empower Fitness	36,589	-	-	36,589
Susan Decker	27,162	569	(3,947)	23,784
The Hitching Post	39,041	-	-	39,041
David and Lisa Holscher	-	25,000	(1,898)	23,102
Cynthia Kokos	5,000	-	-	5,000
Mathew Ross	-	12,000	(1,643)	10,357
Eklund's Family Farm	100,000	-	-	100,000
O'Neills Shire Pub	45,496	-	(2,870)	42,626
Gravity Ciders	50,000	-	-	50,000
Catskill Seasons	19,203	-	(2,415)	16,788
Verdugo Hospitality	30,775	-	(4,354)	26,421
Johnston & Rhodes	<u>4,955</u>	<u>-</u>	<u>(4,955)</u>	<u>-</u>
	<u>\$ 533,140</u>	<u>\$ 37,569</u>	<u>\$ (86,783)</u>	483,926
Less: Current portion				<u>(73,879)</u>
Long term receivable – HUD, Micro, and GOSC				<u>\$ 410,047</u>



COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF DELAWARE COUNTY, NEW YORK)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 5 LOANS AND CAPITAL LEASE RECEIVABLE (Cont'd.)

Loans Receivable – IDA, ED and Millennium

<u>Borrower</u>	<u>01/01/2020</u> <u>Principal</u>	<u>Advances</u>	<u>Write Offs/</u> <u>Repayments</u>	<u>12/31/2020</u> <u>Principal</u>
Integrated Wood	\$ 91,117	\$ -	\$ (17,384)	\$ 73,733
Rock Valley Spirits	71,756	-	(6,259)	65,497
Alpine Roofing	70,217	-	(6,300)	63,917
Catskill Food	80,000	-	(80,000)	-
Eklund Family Farm Machinery	73,886	-	(6,825)	67,061
East Branch Holdings	23,000	-	(23,000)	-
Shady Lady Enterprises	79,237	-	(1,119)	78,118
Mr. Mechanical	6,231	-	(2,293)	3,938
Delaware River Basin Stone	250,000	-	(250,000)	-
21476 St. Hwy. 23, LLC	115,000	-	-	115,000
724 Main St. Corp.	46,006	-	(1,365)	44,641
Always Auto Hauling	3,468	-	(3,468)	-
Catskill Dance Moves	5,528	-	(1,348)	4,180
Kimchee Harvest	4,240	5,000	(5,956)	3,284
Muddy River Hops	5,938	-	-	5,938
Elena's Michael Catering	12,090	-	(1,145)	10,945
Johnston & Rhodes	63,044	-	(63,044)	-
Catskill Regional Harvest	17,147	-	(2,501)	14,646
Courier Printing	103,696	-	(7,003)	96,693
Railroad Ave Supply	10,135	-	(10,135)	-
Johnston & Rhodes	80,457	-	(4,757)	75,700
Sonny & Sons	140,000	-	-	140,000
Unadilla Silo	40,754	-	(40,754)	-
Ann Jones	9,000	-	(812)	8,188
Catskill Regional Harvest LOC	-	4,000	-	4,000
George Jones	-	5,669	(171)	5,498
Linda Jones	-	15,000	-	15,000
Wild Common, LTD	-	10,000	(1,013)	8,987
Sal Cottone	-	10,000	-	10,000
Beaver Mountain	-	68,490	(5,200)	63,290
Integrated Wood II	-	50,000	-	50,000
Stamford Gables	<u>59,096</u>	<u>-</u>	<u>(3,112)</u>	<u>55,984</u>
	<u>\$ 1,461,043</u>	<u>\$ 168,159</u>	<u>\$ (544,964)</u>	<u>1,084,238</u>
Less: Current portion				<u>(178,402)</u>
Long-term receivable – IDA, ED and Millennium				<u>\$ 905,836</u>

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF DELAWARE COUNTY, NEW YORK)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 5 LOANS AND CAPITAL LEASE RECEIVABLE (Cont'd.)

Capital Lease Receivable

	01/01/2020		Write Offs/ Repayments	12/31/2020
<u>Borrower</u>	<u>Principal</u>	<u>Advances</u>		<u>Principal</u>
K-Tooling	\$ 240,326	\$ -	\$ (12,723)	\$ 227,603
Less: Current portion				(17,553)
Long-term receivable – Capital Lease				\$ 210,050

Short Term Borrowings

Friesland Campina	\$ 289,176	\$ -	\$ (289,176)	\$ -
Saputo Dairy	289,176	-	(289,176)	-
Village of Delhi	-	50,000	-	50,000
	<u>\$ 578,352</u>	<u>\$ 50,000</u>	<u>\$ (578,352)</u>	<u>\$ 50,000</u>

As of December 31, loans receivable can be summarized as follows:

	<u>2020</u>	<u>2019</u>
Short term borrowings	\$ 50,000	\$ 578,352
Capital lease	227,603	240,326
HUD, Micro and GOSC loans	483,926	533,140
Other loans	<u>1,084,238</u>	<u>1,461,043</u>
Subtotal	1,845,767	2,812,861
Less: Current portion	<u>(319,834)</u>	<u>(1,069,521)</u>
Subtotal	1,525,933	1,743,340
Less: Allowance	<u>(59,794)</u>	<u>(59,794)</u>
Long-term portion	<u>\$ 1,466,139</u>	<u>\$ 1,683,546</u>

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF DELAWARE COUNTY, NEW YORK)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 6 CAPITAL ASSETS, NET

Capital assets as of December 31, 2020 and 2019 were comprised of the following:

<u>2020</u>	<u>Accumulated Cost</u>	<u>Book Depreciation</u>	<u>Book Value</u>
Depreciable – Buildings	\$ 769,576	\$ 203,847	\$ 565,729
Non-Depreciable:			
Land	1,188,236	-	1,188,236
Amphenol project	<u>1,076,945</u>	<u>-</u>	<u>1,076,945</u>
Total non-depreciable	<u>2,265,181</u>	<u>-</u>	<u>2,265,181</u>
Capital assets, net	<u>\$ 3,034,757</u>	<u>\$ 203,847</u>	<u>\$ 2,830,910</u>
<u>2019</u>			
Depreciable – Buildings	\$ 769,576	\$ 181,847	\$ 587,729
Non-Depreciable:			
Land	1,188,236	-	1,188,236
Amphenol project	<u>1,076,945</u>	<u>-</u>	<u>1,076,945</u>
Total non-depreciable	<u>2,265,181</u>	<u>-</u>	<u>2,265,181</u>
Capital assets, net	<u>\$ 3,034,757</u>	<u>\$ 181,847</u>	<u>\$ 2,852,910</u>

Depreciation at December 31, 2020 and 2019 amounted to \$22,000, respectively.

In 2019, the IDA purchased four properties in Delhi, New York and entered into a contract that closed subsequent to year end to purchase additional property in Stamford, New York. The properties were acquired to be made available for the expansion of local area businesses.

Between 2015 and 2018, the IDA purchased seven (7) properties located in the Villages of Sidney, Andes and Walton, New York. These properties were acquired for the purpose of being redeveloped into shovel ready sites and/or buildings to be made available for the expansion for location of businesses. Three of the seven properties were subsequently sold to facilitate the expansion of neighboring businesses.

From 2014 through 2016, the IDA purchased six properties for a stream bank restoration project with a total cost of \$55,381. The project was imposed on the IDA by the U.S. Army Corp of Engineers as mitigation for environmental impacts associated with the Amphenol Project.

During 2012, the IDA purchased three separate properties for the Amphenol project with a total cost of \$1,076,944. In 2014, the IDA received grant money to offset the cost of this project. The IDA plans to turn over these properties to Amphenol in 2033.

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF DELAWARE COUNTY, NEW YORK)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

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NOTE 6    CAPITAL ASSETS, NET (Cont'd.)

In 2010, the IDA purchased the former AJS Facility. The IDA made no improvements to the property in 2020 or 2019. The IDA is currently leasing this building to two companies. In 2009, the Sidney IDA transferred the following properties to the IDA:

- 21 acres of vacant land located on Lower River Street, Sidney, New York with a fair market value (FMV) of \$76,000; and
- A 3-bedroom ranch house on 3 acres of land located on River Street, Sidney, New York with a FMV of \$86,000.

In 1982, the IDA purchased a 15-acre industrial park in Walton, New York at a cost of \$112,500. The property was purchased for potential industrial development in connection with the issuance of IDA bonds. As of December 31, 2013, the IDA had sold 12 acres and has 3 acres left with a cost basis of \$28,156.

NOTE 7    LEASE AGREEMENTS

The IDA currently holds 3 lease agreements for the former AJS facility. Total rental income received under the current and prior lease agreements amounted to \$46,276 and \$56,100 for the years ending December 31, 2020 and 2019, respectively. The future minimum lease payment to be received as of December 31, 2021 is \$7,000.

In 2018, the IDA entered into a short-term lease agreement for property located at 120 Industrial Park Road in Walton, New York. The terms of the lease agreement requires a one-time payment of \$1 and expires on May 31, 2020. The lessee has agreed to purchase this property in 2021.

The IDA also has a month-to-month lease for property on River Street in Sidney, New York. Rental income received under this agreement was \$5,400 for 2020 and \$7,200 for 2019.

NOTE 8    RESTRICTED CASH

During 2002, the County of Delaware issued loans from grants received from the United States Department of Agriculture (USDA) and United States Department Housing and Urban Development (HUD), which are being administered by the IDA. The IDA collects the loan payments for the HUD program and holds them in a separate bank account. The County pays the IDA's applicable administrative costs. The balances of the repayments received which are held by the IDA as of December 31, 2020 and 2019 were \$44,110 and \$41,658, respectively, and is reflected as restricted cash. These funds are available for relending.

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF DELAWARE COUNTY, NEW YORK)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

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NOTE 9    INDUSTRIAL REVENUE BOND AND NOTE TRANSACTIONS

Certain industrial development revenue bonds and notes issued by the IDA are secured by property that is leased to companies. The bonds and notes are not obligations of the IDA or the State of New York. The IDA does not record the assets or a liability resulting from completed bond and note issues in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising there from are controlled by trustees or banks acting as fiscal agents. For providing this service, the IDA receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes. Since its inception, the IDA has issued various bonds under these and similar arrangements (See the schedule of supplemental bond information).

NOTE 10   COMMITMENTS AND CONTINGENCIES

A. The industrial park in Walton, New York was purchased at a cost of \$112,500. The Farmers Home Administration (FHA) provided IDA with \$90,000 to finance the purchase. The terms of this arrangement require that the IDA reimburse the FHA \$6,000 for each sellable acre sold. Since only 92% of the land is salable, the original contingent liability was \$82,800.

To date, 12 acres of land have been sold. The IDA previously sold three acres which has not been reimbursed. A liability has been recorded for \$18,000 due to FHA for this sale.

B. At December 31, 2020 and 2019, the IDA has restricted net position of \$1,830,083 and \$2,794,725, respectively, which represents restricted cash available for relending and the net loans receivable balance as of year-end.

C. The IDA is exposed to various risks of loss related to theft of, damage to, and destruction of assets; injuries to related parties and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage.

NOTE 11   RELATED PARTY TRANSACTIONS

The IDA has a related party relationship with the County of Delaware Local Development Corporation (the LDC). The LDC is a non-profit organization and shares its constituency, membership and purpose with the IDA. The LDC was incorporated in August 1998, and became active during the year ended December 31, 2000. There are separately issued audited financial statements for the LDC.

Dependent upon need, the IDA transfers funding to the LDC for administration and support services. The IDA did not transfer funding to the LDC for the years ended December 31, 2020 or 2019.

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF DELAWARE COUNTY, NEW YORK)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 12 POLICY CHANGE FOR COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
INCOME GUIDELINES

In 2018, the Community Development Block Grant (CDBG) program announced a change in policy regarding the retention of CDBG program's income. Program income includes principal and interest on loans made using the CDBG grant funds. The IDA may use any program income in their possession (received prior to March 31, 2019) for CDBG eligible programs if the funds were committed by March 31, 2019. Any program income in the IDA's possession that was not committed in writing for eligible CDBG activities and approved by the NYS Office of Community Renewal by March 31, 2019 was to be returned no later than April 30, 2019.

In an effort to keep the funds within Delaware County, the IDA converted \$521,889 of loans into grants in 2020 and \$647,109 in 2019. The remaining \$299,955 was appropriately disbursed as loan conversation grants which will be converted to grants during the fiscal year ending 2021.

NOTE 13 COVID-19 GLOBAL PANDEMIC

In early 2020, the IDA was impacted by the effects of the worldwide Coronavirus pandemic. Management has discussed the IDA's operations and impact of this event. They have determined that the IDA's loan portfolio could be impacted but they believe the allowance for bad debts is sufficient to cover any potential loan losses. The IDA is closely monitoring its operations, liquidity, capital resources, and is actively working to minimize the current and future impact of this unprecedented situation.

\* \* \* \* \*

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF DELAWARE COUNTY, NEW YORK)

SCHEDULE OF SUPPLEMENTAL BOND INFORMATION

December 31, 2020

Purchaser	Issuee	Issue Date	Price	Rate	Balance	Due Date
First Albany Capital	Delaware Valley Hospital 1 Titus Place Walton, NY 13856	07/01/07	\$ 5,805,000	4.17%	\$ 1,525,000	07/01/32
Bond Purpose:	Services					

See auditors' report.

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF DELAWARE COUNTY, NEW YORK)

SCHEDULE OF OUTSTANDING SALE AND LEASE AGREEMENTS

Year Ended December 31, 2020

Project Owner Project Owner Address	Purpose	Tax Exemptions			
		Sales Tax Exemptions		Real Property	
		State	Local	County	Local
Burton F. Clark, Inc. dba Clark Companies I 41155 State Road 10 Delhi, NY 13753	Construction	\$ -	\$ -	\$ 24,825	\$ 27,920
Masserson Properties 2258 County Route 41 Roxbury, NY 12474	Construction	-	-	670	542
Stratton Falls Campsites 2258 County Route 41 Roxbury, NY 12474	Construction	-	-	634	513
Chapel Hill Land Holdings 431 Chapel Hill Road Hancock, NY 13783	Construction	-	-	4,106	2,100
Delhi Rehabilitation & Nursing Center 41861 State Highway 10 Delhi, NY 13753	Construction	-	-	45,421	51,084
Hancock Compressor Station 1579 Hungry Hill Road Hancock, NY 13783	Construction	-	-	51,400	26,301
Total		\$ -	\$ -	\$ 127,056	\$ 108,460

See auditors' report



<u>Tax</u>	<u>Mortgage</u>	<u>Total</u>	<u>Payment in Lieu of Taxes</u>			
<u>School</u>	<u>Recording</u>	<u>Exemptions</u>	<u>County</u>	<u>Local</u>	<u>School</u>	<u>Total</u>
\$ 110,523	\$ -	\$ 163,268	\$ 18,384	\$ 26,139	\$ 57,731	\$ 102,254
-	-	1,212	3,887	3,141	-	7,028
-	-	1,147	3,164	2,557	2,452	8,173
9,001	-	15,207	12,310	8,417	29,304	50,031
108,092	-	204,597	56,846	76,871	159,640	293,357
101,005	-	178,706	34,267	24,147	87,963	146,377
<u>\$ 328,621</u>	<u>\$ -</u>	<u>\$ 564,137</u>	<u>\$ 128,858</u>	<u>\$ 141,272</u>	<u>\$ 337,090</u>	<u>\$ 607,220</u>

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF DELAWARE COUNTY, NEW YORK)

SCHEDULE OF FULL-TIME EQUIVALENT (FTE)  
JOBS CREATED AND RETAINED

Year Ended December 31, 2020

	<u># of FTE Employees at Project Locations Before Agency Status</u>	<u>Original Estimate of Jobs to be Created</u>
Issuee:		
Delaware Valley Hospital, Inc	121	0
Project Owner:		
Burton F. Clark, Inc. dba Sports Edge, Inc.	8	40
Masseron Properties, Inc	3	2
Millennium Pipeline	2	2
Chapel Hill	0	3
Delhi Rehabilitation & Nursing	0	194
Hancock Compressor Station	0	2
Masserson Properties - Stratton Falls	0	4
	<u>134</u>	<u>247</u>

See auditor's report.

Original Estimate of Jobs to be Retained	# of Current FTE Employees	# of FTE Jobs (Lost)/ Created During Fiscal Year	# of FTE Jobs Retained During Fiscal Year
121	156	0	121
8	123	0	0
3	7	0	3
2	0	0	2
0	3	0	3
194	129	0	129
2	2	0	2
0	5	0	0
330	425	0	260

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
County of Delaware Industrial Development Agency  
Delhi, New York

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Delaware Industrial Development Agency (the "IDA") (a component unit of Delaware County, New York), which comprise of the statements of net position and the related statements of revenues, expenses and changes in net position, and statements of cash flows for the year ended December 31 2020, and the related notes to the financial statements, and have issued our report thereon dated April 14, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the IDA's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the IDA's internal control. Accordingly, we do not express an opinion on the effectiveness of the IDA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the IDA's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2020 – 1 that we consider to be a material weakness.

## **County of Delaware IDA's Response to Findings**

The IDA's response to the finding, identified in our audit, is described in the accompanying schedule of findings and responses. The IDA's response is not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the IDA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the IDA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the IDA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Oneonta, New York  
April 14, 2021



COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF DELAWARE COUNTY, NEW YORK)

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended December 31, 2020

---

CURRENT YEAR FINDINGS

2020 – 1:            Unrecorded Balance Sheet Items

Condition:            Adjusting journal entries had to be made to adjust or record accounts receivable, loans receivable, accounts payable, and prepaid items at year-end. This issue also existed in the previous year.

Criteria:            On an accrual basis of accounting at year-end, outstanding receivables, payables, and prepaid items need to be analyzed and recorded to prevent misstatement of financial reports.

Effect:            Lack of controls over balance sheet items can lead to inaccurate reporting of income, expenses, assets, and liabilities in the financial statements.

Recommendation:    In order to make the financial reports generated by the accounting system as meaningful as possible, we recommend that an individual periodically review the balance sheets accounts, along with other supporting records, and appropriately adjust the respecting accounts to actual amounts.

Management

Response:            Management agrees with the need to address this issue and will seek assistance in creating a process to do so.

COUNTY OF DELAWARE INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF DELAWARE COUNTY, NEW YORK)

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Year Ended December 31, 2020

---

PRIOR YEAR FINDINGS

2019 – 1:            Unrecorded Balance Sheet Items

Condition:            Adjusting journal entries had to be made to adjust or record accounts receivable, loans receivable, accounts payable, and prepaid items at year-end.

Criteria:            On an accrual basis of accounting at year-end, outstanding receivables, payables, and prepaid items need to be analyzed and recorded to prevent misstatement of financial reports.

Effect:            Lack of controls over balance sheet items can lead to inaccurate reporting of income, expenses, assets, and liabilities in the financial statements.

Recommendation:    In order to make the financial reports generated by the accounting system as meaningful as possible, we recommend that an individual periodically review the balance sheets accounts, along with other supporting records, and appropriately adjust the respecting accounts to actual amounts.

Management

Response:            Management agrees with the need to address this issue and will seek assistance in creating a process to do so.